

2024

**ASCENSION PARISH LIBRARY
DONALDSONVILLE, LOUISIANA**

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Filed Date _____

MAY 02 2012

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Board of Directors
Ascension Parish Library

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities of the Ascension Parish Library, a component unit of the Ascension Parish Council, as of and for the year ended December 31, 2011 which collectively comprise the Library's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Ascension Parish Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Ascension Parish Library, as of December 31, 2011 and the respective changes in the financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2012 on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 22 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Ascension Parish Library's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Baxley & Associates, LLC

Plaquemine, Louisiana
March 9, 2012

ASCENSION PARISH LIBRARY
708 South Irma Blvd.
Gonzales, LA 70737
(An agency of the Ascension Parish Government)

Management Discussion and Analysis
As of and for the Year Ended December 31, 2011

General Information

The Ascension Parish Library is a public library established in 1960 for the purpose of making available to all citizens of the parish books and other library materials for education, information, and recreation – the library strives to maintain a program of service to locate information, guide reading, and promote the most effective use of library materials

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Government Accounting Standard's Board (GASB) in their statement number 34. Its purpose is to provide an overview of the financial activities of the Ascension Parish Library based on currently known facts, decisions, or conditions

GENERAL FUND

Financial Highlights

Ad valorem taxes reflect a 6.8 dedicated millage. This 6.8 mill total resulted in \$5,963,843 in ad valorem receipts collected in fiscal year 2011 and \$5,453,843 in ad valorem receipts collected in fiscal year 2010.

Total revenue reflected is \$6,423,001 for 2011 and \$5,930,061 for 2010. This revenue includes parish ad valorem taxes, state revenue sharing, interest, grant funds, charges for photocopies, gifts, and fines.

Library expenditures for 2011 total \$6,616,791 and for 2010 total \$5,870,498. The increase in expenditures from 2010 to 2011 is a result of anticipated increases in operating services due to costs related to increased facility space open for service.

Revenue

The library's budget reflects actual revenues on hand as opposed to anticipated revenues. Therefore, each year's budget is based on cash flow instead of modified accrual. This provides for budgeting that reflects expenditures based only on actual funds available.

The library's revenue consists of a parish-wide property tax of 6.8 mills, state revenue sharing, state aid to public libraries, interest earnings, gifts, and miscellaneous fees and forfeitures.

Ascension Parish Library experienced an increase in ad valorem taxes from the previous year. All other revenues experienced expected variance.

Expenditures

Expenditures include library administration – personnel salaries and benefits, operating services – utilities, communications, maintenance of grounds, buildings, and equipment, insurance on facilities, grounds, and vehicles, materials and supplies – office, buildings, grounds, vehicle, and library supplies, travel – continuing education travel and expenses, capital outlay – acquisition of land, vehicles, machinery and equipment, major repairs, and library materials, intergovernmental expenditures – contributions to retirement systems and intergovernmental service charges

- *Library Administration* expenditure increases were a result of standard pay increases and an increase in the cost of employee benefits
- *Operating Services* expenditures reflect an increase due to additional facility space and the addition of a forth facility
- *Travel* [which reflects continuing education costs] expenditures reflect a slight decrease in expenditures
- *Capital Outlay* expenditures reflect a decrease in purchases due to fewer expenditures related to the building program for the system
- *Materials and Supplies* expenditure decreases were a result of decreased purchases in library building and grounds supplies
- *Intergovernmental Service Charges* for 2011 reflect anticipated expenses

Ascension Parish Library Statement of Net Assets

	Governmental Activities	
	2011	2010
Assets		
Cash and investments	3,889,851	4,840,289
Taxes receivable	6,210,433	5,775,752
Prepays	39,665	33,588
Other assets, net of accumulated amortization	95,006	98,965
Capital assets, net of accumulated depreciation	14,397,483	13,811,837
Total Assets	24,632,438	24,560,431
Liabilities and Net Assets		
Liabilities		
Accounts payable	58,788	60,395
Retainage payable		248,907
Contribution to retirement system	197,970	184,704
Long-term liabilities		
Due within one year	340,979	188,444
Contract payable	8,455,000	8,855,000
Total Liabilities	9,052,737	9,537,450
Net Assets		
Investment in capital assets, net of related debt	14,397,483	13,811,837
Restricted for Capital Projects	994,774	
Unrestricted	187,444	1,211,144
Net Assets	15,579,701	15,022,981

Overview of the Financial Statements

Ascension Parish Library -- operations & maintenance (general fund)		
Operating Revenues by Source	2011	2010
Ad valorem	5,963,480	5,453,843
State Revenue Sharing	372,243	365,142
State Aid to Public Libraries	11,505	13,656
Fees and charges for library services	21,931	22,205
Fines, forfeitures, and lost books	40,310	37,663
Use of money and property	12,859	33,019
Refunds	0	0
Contributions	155	1,394
Other revenues	518	3,139
TOTAL REVENUE	6,423,001	5,930,061
Operating Expenditures by Purpose	2011	2010
Library Administration	3,274,944	3,265,750
Operating Services	834,881	686,754
Travel	11,336	11,606
Capital Outlay	545,088	966,329
Materials and Supplies	103,490	105,517
Intergovernmental Service Charges	847,052	834,542
TOTAL OPERATING EXPENDITURES	5,616,791	5,870,498

Variations Between Original and Final Budgets

Variations between the original and final budgeted annual revenue in the Operating Revenues by Source reflect adjustments as follows

- *Use of money and property* reflects a decrease in interest earnings due to a decrease in rates.

Variations between the original and final budgeted Operating Expenditures by Purpose reflect adjustments as follows

- Changes in *Operating Services* reflect an increase in expenditures for grounds and building maintenance, plumbing and heating maintenance, and fire and casualty insurance due to increased facilities and land
- Changes to *Capital Outlay* reflect an increase in office furniture, fixtures and equipment, and audio visuals and communications due to the purchases for the building program

Economic Factors and Next Year's Budget

The library's 2011 cash flow budget will have an increase in revenues due to anticipated changes in tax funds. All other aspects of the budget should remain relatively the same.

CAPITAL PROJECTS FUND

Interest funds on the Capital Projects Account for 2011 were \$3,393 and for 2010 were \$559. These revenues are a result of interest earnings on the fund principal. Construction began on the Dutchtown site in July of 2008 and the Gonzales site in August of 2010.

Expenditures incurred in 2011 totaled \$1,082,034 and in 2010 totaled \$5,143,053 in various fees, surveys and construction. These expenditures reflect costs associated with both the Dutchtown and Gonzales sites.

Variations in the original and final revenue budget reflect an increase in interest earnings.

Conclusion

The library has continued its programming and services to the public, as well as maintaining staff levels to accommodate the increase in services and library users, and expanded facilities. The library system now has 149 computers available for library users, as well as expanded book, periodical, audio, video, and multi-media collections. Library programming for the public continues to increase - including computer classes, storytimes, summer reading program activities, arts presentations and workshops, business activities, author visits, lecture series, and many other special events.

The annual operations and maintenance budget enables the library to provide building and grounds maintenance, insurance requirements, staffing, services, resources, and materials to continue serving the needs of Ascension Parish's citizens.

The current capital projects fund has enabled the library to complete construction of the new facility in the Dutchtown area of the parish, as well as the expansion and renovation of the existing Gonzales facility. Long range plans include future evaluations and/or expansions of the Galvez and Donaldsonville facilities, and an examination of future needs based on population growth.

Contacting the Ascension Parish Library's Administration

This financial report is designed to provide a general overview of the Ascension Parish Library's finances for those with an interest in the library's financial position and operations. Questions about this report or requests for additional information may be sent to: Angelle Deshautelles, Library Director, Ascension Parish Library, 708 South Irma Blvd., Gonzales, LA 70737.

BASIC FINANCIAL STATEMENTS

**ASCENSION PARISH LIBRARY
STATEMENT OF NET ASSETS
DECEMBER 31, 2011**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,889,851
Taxes receivable	6,210,433
Prepays	39,665
Other assets, net of accumulated amortization	95,006
Capital assets, net of accumulated depreciation	<u>14,397,483</u>
Total Assets	<u>\$ 24,632,438</u>
 LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable	\$ 58,788
Contribution to retirement system	197,970
Long-term liabilities	
<i>Due within one year</i>	340,979
Contract payable	<u>8,455,000</u>
Total Liabilities	<u>9,052,737</u>
 Net Assets	
Investment in capital assets, net of related debt	14,397,483
Restricted for	
Capital projects	994,774
Unrestricted	<u>187,444</u>
Net Assets	<u><u>\$ 15,579,701</u></u>

The accompanying notes are an integral part of this statement

**ASCENSION PARISH LIBRARY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Governmental Activities</u>
EXPENDITURES/EXPENSES	
Library Services	
Administration	\$ 3,227,480
Operating services	834,881
Travel	11,336
Library materials and supplies	103,490
Intergovernmental	647,052
Amortization	3,958
Depreciation	<u>994,520</u>
TOTAL EXPENDITURES/EXPENSES	<u>5,822,717</u>
PROGRAM REVENUES	
Fees, fines and other charges for services	<u>62,241</u>
TOTAL PROGRAM REVENUES	<u>62,241</u>
NET PROGRAM REVENUE	<u>(5,760,476)</u>
GENERAL REVENUE AND TRANSFERS	
Property taxes	5,963,480
State revenue sharing	372,243
State grants	11,505
Investment earnings	16,252
Miscellaneous	673
Retirement of asset	<u>(46,957)</u>
TOTAL GENERAL REVENUES AND TRANSFERS	<u>6,317,196</u>
CHANGE IN NET ASSETS	556,720
NET ASSETS	
Beginning of the year	<u>15,022,981</u>
End of the year	<u><u>\$ 15,579,701</u></u>

The accompanying notes are an integral part of this statement

**ASCENSION PARISH LIBRARY
GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET
DECEMBER 31, 2011**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,895,077	\$ 994,774	\$ 3,889,851
Receivables (net of allowances for uncollectibles)			
Ad valorem taxes	5,950,766	-	5,950,766
State revenue sharing (net)	248,162	-	248,162
State aid libraries	11,505	-	11,505
Prepays	39,665	-	39,665
Other assets	118,757	-	118,757
TOTAL ASSETS	<u><u>\$ 9,263,932</u></u>	<u><u>\$ 994,774</u></u>	<u><u>\$ 10,258,706</u></u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 58,788	\$ -	\$ 58,788
Contribution to retirement system	197,970	-	197,970
Total Liabilities	<u>256,758</u>	<u>-</u>	<u>256,758</u>
Fund Balance			
Restricted	-	994,774	994,774
Unassigned	9,007,174	-	9,007,174
Total Fund Equity	<u>9,007,174</u>	<u>994,774</u>	<u>10,001,948</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 9,263,932</u></u>	<u><u>\$ 994,774</u></u>	

Amounts reported for governmental activities in the statement of net assets are different because Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

14,397,483

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds

(8,795,979)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds

(23,751)

Net assets of governmental activities

\$ 15,579,701

The accompanying notes are an integral part of this statement

**ASCENSION PARISH LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes--ad valorem	\$ 5,963,480	\$ -	\$ 5,963,480
Intergovernmental revenues			
State revenue sharing	372,243	-	372,243
State-aid libraries	11,505	-	11,505
Fees and charges for library services	21,931	-	21,931
Fines and forfeitures (library)	40,310	-	40,310
Use of money and property	12,859	3,393	16,252
Contributions	155	-	155
Other revenues	518	-	518
TOTAL REVENUES	<u>6,423,001</u>	<u>3,393</u>	<u>6,426,394</u>
EXPENDITURES			
Culture and recreation--Libraries			
Library administration	3,274,944	-	3,274,944
Operating services	834,881	-	834,881
Travel	11,336	-	11,336
Capital outlay	545,088	1,082,035	1,627,123
Library materials and supplies	103,490	-	103,490
Intergovernmental	847,052	-	847,052
TOTAL EXPENDITURES	<u>5,616,791</u>	<u>1,082,035</u>	<u>6,698,826</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	806,210	(1,078,642)	(272,432)
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	2,002,447	2,002,447
Operating transfer out	(2,002,447)	-	(2,002,447)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,002,447)</u>	<u>2,002,447</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,196,237)	923,805	(272,431)
FUND BALANCE, Beginning	<u>10,203,411</u>	<u>70,969</u>	<u>10,274,380</u>
FUND BALANCE, Ending	<u>\$ 9,007,174</u>	<u>\$ 994,774</u>	<u>\$ 10,001,948</u>

The accompanying notes are an integral part of this statement

**ASCENSION PARISH LIBRARY
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

**Amounts reported for governmental activities are
different because**

Net Change in fund balances - total governmental funds (page 11)	\$	(272,432)
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Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		632,603
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The liability and expense for compensated absences are not reported in governmental funds. Payments for compensated absences are reported as salaries when they occur. Only the payment consumes current financial resources, and it would take a catastrophic event for this liability to become a current liability.		47,464
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Retirement of assets		(46,957)
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Governmental funds report payments on a contract as expenditures. However, in the statement of activities, the principal portion is allocated to the statement of net assets and shown as a reduction in the contract payable.		200,000
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Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of these related items.		(3,958)
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Change in net assets of governmental activities (page 9)	\$	556,720
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The accompanying notes are an integral part of this statement

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Ascension Parish Library was established by the parish governing authority, under the provisions of Louisiana Revised Statute 25:211. The library provides citizens of the parish access to library materials, books, magazines, records and films. The library is governed by a board of control which is appointed by the parish council in accordance with the provisions of Louisiana Revised Statute 25:214. The members of the board of control serve without pay.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification is recognized as generally accepted accounting principles for state and local governments.

In conformance with GASB Codification Section 2100, the parish library is a component unit of the Ascension Parish Council, the governing body of the parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the parish library and do not present information on the Parish Council, and the general government services provided by that governmental unit, and other governmental units that comprise the governmental reporting entity.

A. Governmental-Wide Accounting

In accordance with the Government Accounting Standards Board Statement No. 34, the Library has presented a Statement of Net Assets and Statement of Activities for the Library as a whole. These statements include only the component units. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Interfund receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they were allocated.

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Application of FASB Statements and Interpretations

Reporting on governmental-type and business-type activities is based on FASB Statements and Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year and a cost greater than \$600 are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets.

Program Revenues

The Statement of Activities presents two categories of program revenues – 1) charges for services, and 2) operating grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the District. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the District has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. The Library does not have any proprietary funds.

Restricted Net Assets

Restricted net assets are those for which a constraint has been imposed either externally or by law. The Library does not have any restricted net assets.

B. Fund Accounting

The accounts of the library are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as on the following page.

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major Governmental Funds

General Fund

The General Fund is the general operating fund of the library. It is used to account for all financial resources except those required to be accounted for in other funds.

Capital Projects Fund

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary and Trust Funds.

C. Basis of Accounting/ Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated. The Library does not have any business-type activities.

D. Budgetary Practices

Annually the Ascension Parish Library adopts a budget on the modified accrual basis of accounting for the General Fund. The budgetary practices include public notice of the proposed budgets, public inspection of the proposed budgets, and public hearings on the budgets. All budgetary appropriations lapse at the end of the fiscal year. The level at which expenditures may not legally exceed appropriations is 5% of budgeted expenditures.

E. Cash and Cash Equivalents

The Library considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable and Bad Debts

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2011, there were no amounts considered to be uncollectible.

H. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2011 are recorded as prepaid expenses.

I. Capital Assets

The Library's assets are recorded at historical cost. Capital assets are defined as assets with an initial, individual cost of more than \$600 (amount not rounded) and estimated useful lives in excess of 1 year. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	40 years
Equipment	4-10 years
Office furniture	5-7 years
Vehicles	5 years
Infrastructure	40-50 years

In June of 1999, the Governmental Accounting Standards Board issued Statement No. 34 that requires the inclusion of infrastructure assets used in governmental activities in the general purpose financial statements retroactively reported back to 1982. All assets of the Library are reported in the accompanying financial statements.

J. Compensated Absences

Full-time employees of the library earn vacation leave after one year of service at varying rates depending on type of position. Vacation leave can be accumulated up to one and one-half of the amount earned in one year. Employees who resign are paid for unused vacation leave, provided adequate notice of resignation is given. Sick leave is granted full-time employees at the rate of twelve days each year. Sick leave can be accumulated up to thirty-six days. Upon termination of employment, unused sick leave lapses.

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following reflects changes in accumulated sick and annual leave

Balance at 12-31-10	\$	188,444
Decrease in leave		<u>(47,465)</u>
Balance at 12-31-11	\$	<u>140,979</u>

K. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Operating Transfers

Advances between funds which are not expected to be repaid are accounted for as operating transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts. These are eliminated in the government-wide statements.

M. Net Assets/Fund Balances

Ascension Parish Library elected to implement GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the fiscal year 2011. In the fund financial statements, fund balance of the governmental funds are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purpose because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Library. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes.

Unassigned – All other spendable amounts.

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As of December 31, 2011, \$9,007,174 of the total fund balance was unassigned. Restricted funds are used first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted by the Library or the assignment has been changed by the Library. Decreases in fund balance first reduce Unassigned fund balance, in the event that Unassigned becomes zero, then Assigned and Committed fund balances are used in that order.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Ascension Parish Library deposits at year end were covered by federal depository insurance, collateral held by the library's custodial bank in the library's name, or by the backing of the U.S. federal government. The library's balance per bank (unreconciled) at December 31, 2011 was \$4,119,154. The total market value of securities pledged at the bank at December 31, 2011 was \$6,080,123.

	Bank Balance 12/31/2011	FDIC Insurance	Balances Uninsured
Cash	\$ 4,119,154	\$ 373,219	\$ 3,745,935
Securities pledged and held by bank in Library's name			<u>6,080,123</u>
Excess FDIC insurance and pledged securities over cash balances			<u>\$ 2,334,188</u>

NOTE 3 - ACCOUNTS RECEIVABLE

The receivables at December 31, 2011 are as follows:

<u>Description</u>	<u>Governmental Activities</u>
Ad Valorem Taxes	\$ 5,950,766
State Revenue Sharing	248,162
State Aid - Libraries	<u>11,505</u>
Total	<u>\$ 6,210,433</u>

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2011 is as follows

	Balance December 31, 2010	Reclass/ Additions	Reclass/ Deletions	Balance December 31, 2011
Governmental Activities				
Construction in progress	\$ 5,765,650	\$ -	\$ 5,765,650	\$ -
Land	884,006	-	-	884,006
Buildings and improvements	7,704,685	6,529,584	-	14,234,269
Equipment & furniture	686,690	344,669	46,957	984,402
Vehicles	53,695	-	-	53,695
Library collection	2,793,273	518,520	474,301	2,837,492
Total at Historical Cost	17,887,999	7,392,773	6,286,908	18,993,864
Less Accumulated Depreciation for:				
Buildings and improvements	2,271,504	272,225	-	2,543,729
Equipment & furniture	188,304	152,787	-	341,091
Vehicles	37,599	2,012	-	39,611
Library collection	1,578,755	567,496	474,301	1,671,950
Total Accumulated Depreciation	4,076,162	994,520	474,301	4,596,381
Governmental Activities Capital Assets, December 31, 2011	\$ 13,811,837	\$ 6,398,253	\$ 5,812,607	\$ 14,397,483

NOTE 5 - CONTRACT PAYABLE AND CHANGES IN DEBT

On March 1, 2005, the Parish of Ascension, State of Louisiana, Ascension Parish Library board, and the Louisiana Local Government Environmental Facilities and Community Development Authority entered into a Trust Indenture and Loan Agreement for library bonds Series 2005 in the amount of \$9,595,000. The source and use of the funds are as follows:

Sources of Funds	
Par Amount of Bonds	\$ 9,595,000
Reoffering Premium	384,717
Total Sources	9,979,717
Uses of Funds	
Deposit to Project Construction Fund	9,000,000
Deposit to Capitalized Interest (CIF) Fund	476,242
Costs of Issuance	179,015
Total Underwriter's Discount (1.65%)	158,317
Gross Bond Insurance Premium (38.5 bp)	73,232
Underwriter's Counsel	48,000
Rating	10,000
Rounding Amount	19,911
Surety Bond	15,000
Total Uses	\$ 9,979,717

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - CONTRACT PAYABLE AND CHANGES IN DEBT(continued)

Of the \$9,595,000 library bonds, \$9,000,000 was deposited in a Project Construction fund at the Ascension Parish Library. These funds are restricted for the construction of a new library and the expansion of an existing library facility. They also recognize interest earnings from the investment. The Library is responsible for recording interest income and expenditures in relation to the construction project. These transactions are recorded in the capital projects fund. The local services agreement establishes a contractual agreement in which the Ascension Parish Library obligates to make principal and interest payments to the trustee, on behalf of the Ascension Parish Council, from operations and maintenance revenue funds. The contract payable is reflected on the Statement of Net Assets.

The changes in contract payable and compensated absences for the year ended December 31, 2011 are as follows:

	Beginning Balance	Deletions	Total	Due Within 1 Year	Due in more than 1 year
Compensated abs	\$ 188,444	\$ (47,465)	\$ 140,979	\$ 140,979	\$ -
Contract Payable	8,855,000	(200,000)	8,655,000	200,000	8,455,000
Total	<u>\$ 9,043,444</u>	<u>\$ (247,465)</u>	<u>\$ 8,795,979</u>	<u>\$ 340,979</u>	<u>\$ 8,455,000</u>

The annual requirements to amortize contract payable at December 31, 2011, which includes interest payments of \$6,672,801, are as follows:

For Year	Amount
2012	\$ 636,209
2013	639,009
2014	636,239
2015	638,069
2016	639,069
2017-2035	<u>12,139,206</u>
	<u>\$ 15,327,801</u>

NOTE 6 - OPERATING TRANSFERS

Operating transfers in and out by fund for the year ended December 31, 2011 are listed as follows:

	Operating Transfers	
	In	Out
General Fund	\$ -	\$ 2,002,447
Capital Projects Fund	<u>2,002,447</u>	<u>-</u>
Totals	<u>\$ 2,002,447</u>	<u>\$ 2,002,447</u>

**ASCENSION PARISH LIBRARY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 – OPERATING TRANSFERS (continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. These transfers were eliminated in preparation of the Government-Wide Financial Statements.

NOTE 7 - RECENT ACCOUNTING PRONOUNCEMENTS

The GASB had issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans Other Than Pensions*. The Ascension Parish Library does not pay life insurance, health benefits, or other benefits after an employee retires. Therefore, the other post employment benefit disclosure and actuary's report are not necessary.

NOTE 8 - SUBSEQUENT EVENTS

These financial statements considered subsequent events through March 9, 2012, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

**ASCENSION PARISH LIBRARY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

December 31, 2011				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Ad valorem taxes	\$ 5,533,417	\$ 5,533,417	\$ 5,963,480	\$ 430,063
State revenue sharing	360,000	360,000	372,243	12,243
State-aid libraries	13,500	13,500	11,505	(1,995)
Fees and charges for library services	15,000	15,000	21,931	6,931
Fines, forfeitures, and lost books	34,000	34,000	40,310	6,310
Use of money and property	30,000	20,000	12,859	(7,141)
Contributions	-	-	155	155
Other revenues	-	-	518	518
TOTAL REVENUES	5,985,917	5,975,917	6,423,001	447,084
EXPENDITURES				
Library Administration				
Director's salary	-	-	-	-
Professional salaries	795,000	795,000	600,903	194,097
Regular salaries and wages	1,900,000	1,900,000	1,827,776	72,224
Student salaries	60,000	60,000	31,715	28,285
Temporary salaries	30,000	30,000	8,641	21,359
Pages salaries	-	-	-	-
FICA or supplemental retirement	210,000	210,000	178,674	31,326
Retirement contributions	274,500	274,500	214,904	59,596
Life/Health insurance	425,000	425,000	406,155	18,845
Workman's Compensation and Unemployment	8,500	8,500	6,176	2,324
	3,703,000	3,703,000	3,274,944	428,056
Operating Services				
Membership dues	3,100	3,100	2,913	187
Printing stationery and forms	2,800	2,800	2,632	168
Book printing and binding	2,500	2,500	240	2,260
Utilities	219,000	219,000	207,928	11,072
Postage and box rent	16,000	16,000	10,569	5,431
Telephone	9,000	9,000	7,696	1,304
Other--(ill)ending charges)	500	500	403	97
Other--grounds	45,000	45,000	34,843	10,157
Equipment rental	800	800	-	800
Book rental	36,000	36,000	33,211	2,789
Telecommunications cost	55,000	55,000	18,555	36,445
Grounds maintenance	9,000	30,000	24,993	5,007
Advertising	1,100	1,100	162	938
Buildings maintenance	28,000	40,000	28,510	11,490

(continued)

**ASCENSION PARISH LIBRARY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

	December 31, 2011			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating Services (continued)				
Autos and trucks maintenance	4,000	4,000	2,874	1,126
Plumbing and heating maintenance	35,000	50,000	46,932	3,068
Pest control	3,800	3,800	3,496	304
Laundry and sanitation	7,200	7,200	1,499	5,701
Janitorial	92,770	92,770	81,651	11,119
Maintenance furniture and equipment	91,500	91,500	102,431	(10,931)
Miscellaneous	10,000	10,000	2,745	7,255
Accounting and auditing fees	9,000	9,000	7,220	1,780
Subscription charge	90,000	90,000	97,106	(7,106)
Miscellaneous professional service	46,800	46,800	50,049	(3,249)
Fire and casualty insurance	45,000	60,000	52,998	7,002
Fidelity bonds	800	800	769	31
Auto insurance	5,000	5,000	5,082	(82)
Employee liability insurance	8,200	8,200	7,009	1,191
Miscellaneous insurance	3,400	3,400	365	3,035
	<u>880,270</u>	<u>943,270</u>	<u>834,881</u>	<u>108,389</u>
 Travel	 19,000	 19,000	 11,336	 7,664
 Capital Outlay				
Cars/Trucks, etc	5,000	5,000	-	5,000
Education/Cultural/Recreation equipment	-	-	798	(798)
Buildings/Grounds/General equipment	6,000	6,000	3,531	2,469
Office furniture, fixtures and equipment	18,000	22,000	9,838	12,162
Automated and online	50,000	50,000	12,401	37,599
Books	420,000	420,000	410,042	9,958
Periodicals	37,000	37,000	34,680	2,320
Audio and video recordings and film	95,750	92,750	57,113	35,637
Audio visuals and communications	1,500	21,500	16,403	5,097
Major repairs	50,000	50,000	-	50,000
Miscellaneous	50,000	50,000	282	49,718
Architect's fees	15,000	15,000	-	15,000
Surveyor's fees	22,000	22,000	-	22,000
Furniture and other costs	145,000	145,000	-	145,000
Building cost	-	-	-	-
Landscaping	30,000	30,000	-	30,000
	<u>945,250</u>	<u>966,250</u>	<u>545,088</u>	<u>421,162</u>

(continued)

**ASCENSION PARISH LIBRARY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011**

	December 31, 2011			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Library Materials and Supplies				
Library	40,000	40,000	29,856	10,144
Office supplies	20,000	20,000	13,612	6,388
Other	20,125	20,125	7,243	12,882
Building and grounds supplies	20,000	20,000	17,094	2,906
Vehicle supplies	8,000	8,000	5,497	2,503
Library promotions	34,000	34,000	30,188	3,812
	<u>142,125</u>	<u>142,125</u>	<u>103,490</u>	<u>38,635</u>
Intergovernmental				
Contributions to retirement system	215,000	215,000	197,970	17,030
Intergovernmental service charge	15,000	15,000	8,589	6,411
Miscellaneous - local svc agreement	695,000	695,000	640,493	54,507
	<u>925,000</u>	<u>925,000</u>	<u>847,052</u>	<u>77,948</u>
TOTAL EXPENDITURES	<u>6,614,645</u>	<u>6,698,645</u>	<u>5,616,791</u>	<u>1,081,854</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(628,728)	(722,728)	806,210	1,528,938
FUND BALANCE, Beginning	10,203,411	10,203,411	10,203,411	-
Transfers out	<u>-</u>	<u>-</u>	<u>(2,002,447)</u>	<u>(2,002,447)</u>
FUND BALANCE, Ending	<u>\$ 9,574,683</u>	<u>\$ 9,480,683</u>	<u>\$ 11,009,621</u>	<u>\$ (473,509)</u>

CAPITAL PROJECTS FUND

**ASCENSION PARISH LIBRARY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Use of money and property	<u>\$ 1,800</u>	<u>\$ 2,300</u>	<u>\$ 3,393</u>	<u>\$ 1,093</u>
TOTAL REVENUES	<u>1,800</u>	<u>2,300</u>	<u>3,393</u>	<u>1,093</u>
EXPENDITURES				
Architect fees	88,000	88,000	35,591	52,409
Surveyors fees	20,000	20,000	1,898	18,102
Landscaping	45,000	45,000	-	45,000
Miscellaneous	100,000	100,000	19,549	80,451
Furniture and equipment	500,000	500,000	318,100	181,900
Building Construction	<u>2,000,000</u>	<u>2,000,000</u>	<u>706,896</u>	<u>1,293,104</u>
TOTAL EXPENDITURES	<u>2,753,000</u>	<u>2,753,000</u>	<u>1,082,034</u>	<u>1,670,966</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,751,200)	(2,750,700)	(1,078,641)	1,672,059
FUND BALANCES - BEGINNING	70,969	70,969	70,969	-
Transfers in	<u>-</u>	<u>-</u>	<u>2,002,447</u>	<u>2,002,447</u>
FUND BALANCES - ENDING	<u>\$ (2,680,231)</u>	<u>\$ (2,679,731)</u>	<u>\$ 994,775</u>	<u>\$ 3,674,506</u>

SUPPLEMENTARY FINANCIAL INFORMATION

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Board of Directors
Ascension Parish Library

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities of Ascension Parish Library, as of and for the year ended December 31, 2011, which collectively comprise the Ascension Parish Library's basic financial statements and have issued our report thereon dated March 9, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ascension Parish Library's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ascension Parish Library's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (2011-1 and 2011-2). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ascension Parish Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Ascension Parish Library's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Ascension Parish Library's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, the Legislative Auditors, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Baxley & Associates, LLC

Plaquemine, Louisiana
March 9, 2012

**ASCENSION PARISH LIBRARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

A. SUMMARY OF AUDITOR'S RESULTS

- 1 The auditor's report expresses an unqualified opinion on the financial statements of the Ascension Parish Library
- 2 There are two significant deficiencies relating to the audit of the financial statements reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards
- 3 No instances of noncompliance material to the financial statements of the Ascension Parish Library were disclosed during the audit

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2011-1 - BANK RECONCILIATIONS

Condition:

During the audit, it was noted that one bank account was not reconciled to the general ledger

Criteria:

General ledger accounts and bank reconciliations should be reviewed periodically for correctness

Effect:

Due to inappropriate balances in the cash accounts, the year-end reports were misstated

Recommendation:

Reconciliations should be prepared monthly to confirm that transactions recorded per the books and bank agree. Timely reconciliation facilitates correction of any difference that might exist

Management's Response:

Management has established controls to verify on a monthly basis that the general ledger account and other bank accounts, bank reconciliations, and the trial balance agree. Written documentation will be given to the library director on a monthly basis for verification

**ASCENSION PARISH LIBRARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

2011-2 – FINANCIAL REPORTING

Condition:

It was noted that compiled year-end financial statements prepared by the client did not agree to the year-to-date general ledger balances or the working trial balance. Capital Project Fund balances were not all inclusive on the financial statements.

Criteria:

Year-end financial statements or interim financial statements should agree with the general ledger balances.

Effect:

Incorrect financial statements are being presented to the Board quarterly. Financial decisions and budget amendments are being made based on quarterly financial statements.

Recommendation:

Management should review interim and year-end reports to ensure that all transactions are recorded and that the reports are in agreements with the general ledger and working trial balance.

Management's Response:

Management has established controls for a monthly analysis and review of financial documents to ensure that all funds are appropriately accounted for in the correct time frame. Written documentation will be given to the library director on a monthly basis for verification.

**ASCENSION PARISH LIBRARY
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

There were no prior year audit findings or questioned costs